

COUNTY OF YUBA
SINGLE AUDIT REPORT

JUNE 30, 2007

RECEIVED

OCT 15 2008

AUDITS

COUNTY OF YUBA

Single Audit Report For the Year Ended June 30, 2007

Table of Contents

	<u>Page</u>
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	1-2
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance with OMB Circular A-133	3-5
Schedule of Expenditures of Federal Awards.....	6-10
Notes to Schedule of Expenditures of Federal Awards	11-13
Schedule of Findings and Questioned Costs.....	14-39
Summary Schedule of Prior Audit Findings	40
Supplementary Statements of Grant Revenues and Expenditures.....	41-47



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

To the Honorable Members of the Board of Supervisors
of County of Yuba
Marysville, California

We have audited the accompanying financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, as of and for the year ended June 30, 2007, which collectively comprise the County's basic financial statements and have issued our report thereon dated April 7, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered County of Yuba's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County of Yuba's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the County of Yuba's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's

To the Honorable Members of the Board of Supervisors
of County of Yuba

financial statement is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in the accompanying schedule of findings and questioned costs as findings 07-FS-1 through 07-FS-4 to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider items 07-FS-1 through 07-FS-4 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether County of Yuba's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of County of Yuba in a separate letter dated April 7, 2008.

County of Yuba's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County of Yuba's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Supervisors, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A GALLINA LLP Company

Bartig, Basler & Ray, LLP

Roseville, California
April 7, 2008



BARTIG, BASLER & RAY, LLP

A GALLINA LLP COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Honorable Members of the Board of Supervisors
of County of Yuba
Marysville, California

Compliance

We have audited the compliance of the County of Yuba, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2007. The County of Yuba's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulation, contracts, and grants applicable to each of its major federal programs is the responsibility of the County of Yuba's management. Our responsibility is to express an opinion on the County of Yuba's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County of Yuba's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County of Yuba's compliance with those requirements.

As described in item 07-SA-1, in the accompanying schedule of findings and questioned costs, the County of Yuba did not comply with requirements regarding eligibility that are applicable to its Temporary Assistance for Needy Families. Compliance with such requirements is necessary, in our opinion, for the County to comply with the requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, County of Yuba complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2007. The

To the Honorable Members of the Board of Supervisors
of County of Yuba

results of our auditing procedures disclosed other instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 07-SA-2, 07-SA-4, and 07-SA-5.

Internal Control Over Compliance

The management of the County of Yuba is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered County's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies and others that we consider to be material weaknesses.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 07-SA-1, 07-SA-2, 07-SA-3, 07-SA-4, and 07-SA-5 to be significant deficiencies.

A *material weakness* is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs, we consider items 07-SA-1, 07-SA-2, 07-SA-4, and 07-SA-5 to be material weaknesses.

To the Honorable Members of the Board of Supervisors
of County of Yuba

The County of Yuba's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the County's response and, accordingly, we express no opinion on it.

Schedule of Expenditures of Federal Awards

We have audited the accompanying financial statements of the government activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the County of Yuba, California, as of and for the year ended June 30, 2007, and have issued our report thereon dated April 7, 2008. The County of Yuba basic financial statements include the operations of its component unit, Yuba County Housing Authority. Our audit, described below, did not include the operations of Yuba County Housing Authority because this component unit engaged auditors to perform a separate audit in accordance with OMB Circular A-133. Our audit was performed for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Supplementary Schedules of Grant Revenues and Expenditures, beginning on page 41 have not been subjected to auditing procedures applied in the audit of the basic financial statements, and accordingly, we express no opinion on them.

This report is intended solely for the information and use of management, the Board of Supervisors, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

BARTIG, BASLER & RAY, LLP
A Gallina LLP Company

Roseville, California
April 7, 2008

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Agriculture</u>			
Direct:			
Cooperative Law Enforcement Program	10.664	02-LE11051360088	\$ 12,000
Passed through State Department of Social Services:			
Food Stamps	10.551	--	10,077,054
Food Stamps - Administration	10.561	--	1,007,038
Subtotal State Department of Social Services			<u>11,084,092</u>
Total U.S. Department of Agriculture			<u>\$ 11,096,092</u>
<u>U. S. Department of Housing and Urban Development</u>			
Passed through State Department of Housing and Community Development:			
Community Development Block Grant	14.228 *	--	21,328
Community Development Block Grant	14.228 *	04-STBG-1947	286,973
Community Development Block Grant	14.228 *	04-STBG-1946	12,299
Community Development Block Grant	14.228 *	04-PTAA-0342	35,000
Subtotal CFDA 14.228			<u>355,600</u>
Home Investment Partnerships Program	14.239	04-HOME-0770	16,800
Subtotal State Department of Housing and Community Services			<u>372,400</u>
Total U.S. Department of Housing & Urban Development			<u>\$ 372,400</u>
<u>U. S. Department of Justice</u>			
Direct:			
Edward Byrne Justice Assistance Grant (JAG)	16.738	2006DJBX0491	15,827
Justice Assistance Grant	16.738	--	18,873
Subtotal			<u>34,700</u>
2006 Domestic Cannabis Eradication Program	16.000	GFAN-06-9008	15,000
State Criminal Alien Assistance Program	16.606	2006-AP-BX-0764	36,435
Subtotal Direct			<u>86,135</u>

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Justice (continued)</u>			
Passed through State Department of Corrections & Rehabilitation:			
Yuba County Juvenile Accountability Block Grant-Set Aside Fund	16.523	178-05	\$ 117,734
Passed through State Office of Emergency Services:			
Child Abuse Treatment & Advocacy	16.575	AT06030580	90,836
Child Abuse Treatment & Advocacy	16.575	AT05020580	40,460
Victims/Witness Assistance Program	16.575	VW06200580	53,368
Special Emphasis Victim Program	16.575	SE06160580	109,898
Elder Abuse and Advocacy Program	16.575	EA06090580	36,268
Subtotal CFDA 16.575			330,830
Yuba County Drug Impact Program	16.738	DC06190580	125,042
Subtotal State Office of Emergency Services			455,872
Total U.S. Department of Justice			\$ 659,741
<u>U. S. Department of Transportation</u>			
Direct:			
Airport Improvement Program	20.106	--	212,258
Passed through State Department of Transportation:			
Highway Bridge Program	20.205	BRLO-5916(014)	92,852
Highway Bridge Program	20.205	BRLO-5916(029)	75,178
Public Lands Highways	20.205	PLHL05-5916(063)	28,397
Hazard Elimination Safety	20.205	STPLH-5916(046)	18,787
Regional Surface Transportation Program	20.205	STPL-5916(058)	676,618
Regional Surface Transportation Program	20.205	STPL-5916(062)	556,243
Subtotal State Department of Transportation			1,448,075
Total U.S. Department of Transportation			\$ 1,660,333

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Health & Human Services</u>			
Passed through State Department of Health Services:			
Pandemic Influenza	93.069	--	\$ 1,642
California Children's Services	93.778 *	--	135,867
Child Health and Disability Program	93.778 *	--	70,138
Medical Assistant Program - Foster Care	93.778 *	--	78,616
Medical Assistant Program - Adult Protective Services	93.778 *	--	47,975
Medical Assistant Program - CWS IV-E	93.778 *	--	299,442
Medical Assistant Program - In Home Supportive Services	93.778 *	--	251,550
Medical Assistance Program (Administration)	93.778 *	--	1,451,223
Maternal and Child Health	93.994	--	106,307
Bio-Terrorism	93.889	--	148,575
Subtotal State Department of Health Services			<u>2,591,335</u>
Passed through State Department of Aging:			
Multi-Senior Services Program (MSSP)	93.778 *	--	<u>139,058</u>
Passed through State Department of Social Services:			
Temporary Assistance for Needy Families - CalWorks	93.558 *	--	7,940,897
Child Welfare Services (TANF)	93.558 *	--	347,184
Temporary Assistance for Needy Families - Assistance	93.558 *	--	8,811,850
Kin Gap Assistance	93.558 *	--	47,886
Subtotal CFDA 93.558			<u>17,147,817</u>
Foster Care CWS IV-E	93.658	--	1,790,897
Foster Care CWS-BASIC	93.658	--	354
Foster Care	93.658	--	70,351
Foster Family Home Licensing	93.658	--	10,633
Foster Parents AB2129	93.658	--	6,426
Group Home Monthly Visits & Probation	93.658	--	17,031
Foster Care - Emergency Fund	93.658	--	1,177
Foster Care Assistance	93.658	--	1,082,451
Foster Care - Emergency Assistance	93.658	--	171,654
Foster Care - SACWIS	93.658	--	20,962
Subtotal CFDA 93.658			<u>3,171,936</u>

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U. S. Department of Health & Human Services (continued)</u>			
Passed through State Department of Social Services (continued):			
Adoption Assistance IV-E	93.659 *	--	\$ 16,585
Adoption Assistance	93.659 *	--	1,451,208
Nonrecurring Adoption Expense	93.659 *	--	3,637
Adoption County Counsel	93.659 *	--	633
Subtotal CFDA 93.659			<u>1,472,063</u>
Promoting Safe and Stable Families	93.556	--	193,390
Refugee Cash Assist	93.566	--	4,367
Child Welfare Services IV-B	93.645	--	59,724
CCL/FFH	93.667	--	93,624
Independent Living Program	93.674	--	94,765
Subtotal			<u>445,870</u>
Subtotal State Department of Social Services			<u>22,237,686</u>
Passed through the State Department of Child Support Services			
Child Support Enforcement	93.563	--	<u>2,602,840</u>
Passed through the State Department Community Services and Development:			
Community Services Block Grant	93.569	4750 06F-4650 ⁷	160,113
Community Services Block Grant	93.569	06F-4655 ₂ 4755	168,373
Subtotal State Department of Community Services and Development and CFDA 93.569			<u>328,486</u>
Total U.S. Department of Health & Human Services			<u>\$ 27,899,405</u>
<u>U.S. Election Assistance Commission</u>			
Passed through Secretary of State:			
Help America Vote Act Requirements Payments	90.401	--	<u>339,538</u>

* Major Program

COUNTY OF YUBA

Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Disbursements/ Expenditures
<u>U.S. Department of Homeland Security</u>			
Passed through Governor's Office of Homeland Security:			
FY 05 Emergency Management Performance Grant	97.042	2005-15	\$ 46,966
FY 06 Emergency Management Performance Grant	97.042	2006-8	57,518
Subtotal CFDA 97.042			<u>104,484</u>
FY 04 Homeland Security Grant Program	97.073	2004-45	122,470
FY 05 Homeland Security Grant Program	97.073	2005-15	117,596
FY 06 Homeland Security Grant Program	97.073	2006-71	76,610
Subtotal CFDA 97.073			<u>316,676</u>
FY 04 Homeland Security Grant Program	97.074	2004-45	33,650
FY 05 Homeland Security Grant Program	97.074	2005-15	91,210
FY 06 Homeland Security Grant Program	97.074	2006-71	19,371
Subtotal CFDA 97.073			<u>144,231</u>
FY 05 Buffer Zone Protection Program	97.078	2005-GR-T5-0068	44,933
Subtotal Governor's Office of Homeland Security			<u>610,324</u>
Passed through State Office of Emergency Services:			
Hazard Mitigation Grant Program	97.039	HMGP1044-68-16	811,298
Hazard Mitigation Grant Program	97.039	HMGP1203-58-33	136,091
Subtotal State Office of Emergency Services			<u>947,389</u>
Total U.S. Department of Homeland Security			<u>\$ 1,557,713</u>
Total Federal Financial Assistance			<u>\$ 43,585,222</u>

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 1: **Reporting Entity**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the County of Yuba. The County of Yuba's reporting entity is defined in Note 1 to the County's basic financial statements. All federal awards received directly from federal agencies as well as federal awards passed through other government agencies are included in the schedule.

Note 2: **Basis of Accounting**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the County and is presented on accounting principles generally accepted in the United States of America. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

Note 3: **Relationship to Financial Statements**

The amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree, in all material respects, to amounts reported within the County's financial statements. Federal award revenues are reported principally in the County's financial statements as intergovernmental revenues in the General and Special Revenue funds.

Note 4: **Subrecipients**

Of the federal expenditures presented in the Schedule of Expenditures of Federal Awards, the County provided federal awards to subrecipients as follows:

<u>Federal CFDA#</u>	<u>Program</u>	<u>Amount</u>
14.448	Community Development Block Grant	\$ 254,237
97.073	Homeland Security Grant Program	279,915
97.074	Homeland Security Grant Program	132,078

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 5: Loans with Continuing Compliance Requirement

Outstanding federally-funded program loans, with a continuing compliance requirement, carried balances as of June 30, 2007 as follows:

Federal CFDA#	Program Title	Amount Outstanding
14.228	Community Development Block Grant/State's Program	\$ 1,465,362

Note 6: Program Clusters

Federal programs, which must be audited together as a program cluster, include the following:

Federal CFDA#	Program Title	Federal Expenditures
------------------	---------------	-------------------------

Food Stamp Cluster:

10.551	Food Stamps	\$ 10,077,054
10.561	State Administrative Matching Grants for Food Stamp Program	<u>1,007,038</u>
	Total	<u>\$ 11,084,092</u>

Homeland Security Cluster

97.073	Homeland Security Grant Program	\$ 316,676
97.074	Law Enforcement Terrorism Prevention Program	<u>144,231</u>
	Total	<u>\$ 460,907</u>

Note 7: Pass-Through Entities' Identifying Number

When federal awards were received from a pass-through entity, the Schedule of Expenditures of Federal Awards shows, if available, the identifying number assigned by the pass-through entity. When no identifying number is shown, the County determined that no identifying number is assigned for the program or the County was unable to obtain an identifying number from the pass-through entity.

COUNTY OF YUBA

Notes to Schedule of Expenditures of Federal Awards For the Year Ended June 30, 2007

Note 8: **Total Federal Awards Expended by CFDA Number**

When there is more than one program under a single CFDA number, the Schedule of Expenditures of Federal Awards presents totals of all programs under one CFDA number. Occasionally, however, this total could not be conveniently displayed because all programs under one CFDA number were not contiguous. When this occurred, this total is not shown in the Schedule, but instead is provided below:

<u>CFDA No.</u>	<u>Total Federal Expenditures</u>
93.778	\$ 2,473,869
16.738	159,472

Note 9: **Department of Aging Federal/State Share**

During the fiscal year ended June 30, 2007, the County expended the following amounts under grants which pass through the California Department of Aging:

<u>CFDA</u>	<u>Federal Expenditures</u>	<u>State Expenditures</u>
93.778	139,058	139,058

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 1

Financial Statements

Summary of Auditor's Results

- | | |
|---|---------------|
| 1. Type of auditor's report issued: | Unqualified |
| 2. Internal controls over financial reporting: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified not
considered to be material weaknesses? | None Reported |
| 3. Noncompliance material to financial
statements noted? | No |

Federal Awards

- | | |
|---|-------------|
| 1. Internal control over major programs: | |
| a. Material weaknesses identified? | Yes |
| b. Significant deficiency identified not
considered to be material weaknesses? | Yes |
| 2. Type of auditor's report issued on compliance
for major programs: | |
| Temporary Assistance for Needy Families | Qualified |
| All Other Major Programs | Unqualified |
| 3. Any audit findings disclosed that are required
to be reported in accordance with Circular
OMB A-133, Section 510(a)? | Yes |
| 4. Identification of major programs: | |

CFDA Number

Name of Federal Program

14.228	Community Development Block Grant
93.558	Temporary Assistance for Needy Families
93.659	Adoption Assistance Program
93.778	Medical Assistance Program

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Section 1 (continued)

- | | |
|---|--------------|
| 5. Dollar Threshold used to distinguish between Type A and Type B programs? | \$ 1,307,557 |
| 6. Auditee qualified as a low-risk auditee under OMB Circular A-133, Section 530? | Yes |

Section 2

Financial Statement Findings

Finding 07-FS-01
Finding 07-FS-02
Finding 07-FS-03
Finding 07-FS-04

Section 3

Federal Award Findings and Questioned Costs

CFDA 93.558	Finding 07-SA-1
CFDA 93.778	Finding 07-SA-2
CFDA 93.659	Finding 07-SA-3
CFDA 14.228	Finding 07-SA-4
CFDA 14.228	Finding 07-SA-5

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-1	<i>Reporting Requirement: Material Weakness</i>
Trust Funds	<u>Criteria</u> <p>Under Governmental Accounting Standards Board (GASB) Statement No. 34, amounts formally held in trust but used to support the County's own programs should be reported as funds within the County's reporting entity so as to ensure all economic resources that can be used by the County are reported in the government-wide financial statements. Use of the agency fund type is limited to resources the County holds purely in a custodial capacity for individuals or other organizations, such as school districts and special districts not governed by the County Board of Supervisors.</p> <u>Condition</u> <p>During the audit, we noted sixty-seven funds holding cash and investments totaling approximately \$43.3 million which were incorrectly classified as agency funds. These funds hold resources used to support the County's functions and activities.</p> <p>Agency funds also have few mechanisms for reporting total inflows and outflows correctly. As a result, the County is not able to generate meaningful reports which would allow for easy integration into the County's financial report. It was too labor intensive to determine exactly how the revenues and expenditures in these funds should have been reported. As a result, all activity was reported as deferred revenues. Of the amount reported as deferred, approximately \$35.5 million qualified for deferral with the remainder being undetermined.</p> <p>We also noted that payments were made out of these funds and reported as negative revenue when transfers were made into County operating funds where the funds were reported as revenues.</p> <u>Effect of Condition</u> <p>Activity in these funds is required to be included in the County's reporting entity, either as additional funds or transactions in existing County funds. By not including these funds, assets, liabilities, revenues and expenses are materially misstated. There is the potential for double reporting of revenues when resources are transferred into operating funds. Not using the accounting system to control the flow of revenues increases the potential for reporting revenues twice.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-1 (continued)	<u>Effect of Condition</u> (continued)
Trust Funds	<p>In addition, we noted that payments were being made directly out of these funds without any budgetary consequences since revenues and disbursements are not compared against the adopted budget unless the funds are transferred from the Agency funds to an existing operating fund.</p> <p>By not using the accounting system to account for the activity of these trust funds, the County's general ledger does not translate the information for including it in the County's financial report. This necessitates tracking this activity using electronic spreadsheets. The use of such spreadsheets increases the risk that input errors could affect the financial statements or misstatements could occur because of double reporting of the same revenue amounts. In addition, because the County does not budget for any activity occurring in agency funds, significant deviations from the adopted budget are not apparent until well after the end of the fiscal year and thus cannot be addressed when they occur.</p> <p><u>Recommendation</u></p> <p>We recommend the Auditor-Controller's Office create new funds in its accounting system to account for these trust funds either as County funds having the full functionality of reporting revenues and expenditures or by including the balances and activities in existing County funds. All sixty seven funds should be closed.</p> <p><u>Management Response</u></p> <p>Management's response is reported at page 26 of this report.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-2	<i>Reporting Requirement: Material Weakness</i>
Construction In Process	<u>Criteria</u> <p>All expenditures incurred to construct a capital asset should be included in construction in process in the year in which the expenditure is incurred. Upon completion of the project, the total cost to construct the capital asset should be moved from the construction in process account to the appropriate capital asset category such as buildings or infrastructure. In the governmental fund statements, construction expenditures are reported as capital outlay. In the government-wide statements, the current year construction expenditures are reported as additions to construction in process, a long-term asset account.</p> <u>Condition</u> <p>The County does not track construction in process costs as the work is being performed. The County does not have any procedures to address the accounting and accumulation of construction costs either for costs incurred in the current year or for costs incurred in projects that span more than one year. During our audit, we identified construction costs of \$1,696,318 which were not identified as construction in process costs at June 30, 2007.</p> <u>Effect of Condition</u> <p>By not having any means to track costs on construction projects, the County materially understated its construction in process accounts. Building costs will be understated when the project is completed and capitalized for depreciation. Not tracking construction in process by project makes it more likely that capitalization of buildings and improvement costs will be incomplete. Over time, these misstatements could accumulate to significant proportions.</p> <u>Recommendation</u> <p>We recommend the Auditor-Controller's Office modify its year-end closing process to include a more thorough review of accounts used to account for construction costs. A separate schedule should be maintained showing each project, the accumulated project costs as of the beginning of the year, the additions, the reductions and the ending balances. Each year's activity should be reconciled to the construction capital outlay accounts on the County's general ledger.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-2 (continued) Construction In Process	<u>Management Response</u> Management's response is reported at page 26 of this report.
Finding 07-FS-3 Infrastructure Accounting and Depreciation	<i>Reporting Requirement: Material Weakness</i> <u>Criteria</u> GASB Statement No. 34 requires the cost of infrastructure assets to be capitalized and depreciated over their useful lives in the County's government-wide statements. While current replacement costs can be used as a method to estimate the actual cost of the County's infrastructure assets, replacement costs is required to be deflated to the estimated year of acquisition. Year of acquisition can be determined using an estimated age provided the results are not unreasonable. Estimating average age should take into consideration differences in the types of road and the length of the roads. Infrastructure assets acquired prior to 1980 are not required to be capitalized. Accumulated depreciation and depreciation expense should be based on the assets estimated useful life and the deflated current replacement cost, starting from the estimated year of acquisition. <u>Condition</u> The County uses a fixed asset module which is integrated with the general ledger. Most of the County's capital assets are included in the fixed asset module. This includes land, buildings, vehicles, computers and other furniture and equipment. The software automates the time-consuming task of calculating depreciation for the County's nearly 5,000 assets.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-FS-3 (continued)	<u>Condition</u> (continued)
Infrastructure Accounting and Depreciation	<p>In previous years, the County reported its infrastructure costs using current replacement costs calculated using separate electronic spreadsheets. For at least the previous two years, it appears that current replacement costs were updated resulting in increases in the cost of the County's infrastructure as a result of changes in prices and not from the actual expenditure of funds for improvements. Replacement costs were not deflated back to the estimated year of acquisition resulting in inaccurate estimates of the historical cost of the County's infrastructure. The same method of valuing the costs of the County's infrastructure was used for older assets including assets acquired prior to the 1980 date described above. For example, the County's oldest and least improved roads were valued at costs far exceeding the cost of newer urban arterial roads. A 30.8 meter length bridge built in 1871 was included at \$300,762. Clearly these costs are not approximate representations of the original historical costs incurred to construct the asset.</p> <p>Depreciation was calculated by aggregating all costs for roads and all costs for bridges and allocating the costs over an average useful life in the aggregate. The averaging resulted in depreciating newer roads at a greater rate than older roads.</p> <p>Infrastructure assets are not incorporated into the County fixed asset module, resulting in additional staff time to maintain external spreadsheets and delays in recording depreciation expense in the County's general ledger.</p> <p><u>Effect of Condition</u></p> <p>The estimated cost of the County's infrastructure was recalculated using correct methods allowed by accounting standards. As a result, infrastructure costs reported in the County's prior year financial statements were overstated by the following amounts:</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Findings/Noncompliance

Finding 07-FS-3 (continued)

Effect of Condition (continued)

Infrastructure Accounting and Depreciation

	ROAD	BRIDGES	TOTAL
Corrected cost	\$ 184,299,110	\$ 5,402,869	\$ 189,701,979
Original cost	257,245,326	29,561,427	286,806,753
OVERSTATEMENT	\$ (72,946,216)	\$ (24,158,558)	\$ (97,104,774)
Corrected accum. depr.	\$ (61,140,262)	\$ (1,971,808)	\$ (63,112,070)
Original accum. depr.	(113,187,944)	(15,371,942)	(128,559,886)
OVERSTATEMENT	\$ 52,047,682	\$ 13,400,134	\$ 65,447,816
COMBINED MISSTATEMENT	\$ (20,898,534)	\$ (10,758,424)	\$ (31,656,958)

Depreciation was calculated using the individual assets as listed in the electronic spreadsheet over estimated useful lives of 25 years for roads and 50 years for bridges. This method, which was considered more accurate, resulted in depreciation expense of \$7,346,917 instead of the original amount of \$14,588,742.

Recommendation

We recommend the County include each of the roads and bridges listed in the electronic spreadsheet in the fixed asset module and use the computer application to automate the depreciation computation. We recommend inquiring with public works each year so as to obtain accurate information on major improvements which might need to be capitalized.

Management Response

Management's response is reported at page 26 of this report.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-4	<i>Reporting Requirement: Material Weakness</i>
Financial Reporting Competencies	<u>Criteria</u> <p>This past year, a new auditing standard, Statement on Auditing Standard No. 112, <i>Communicating Internal Control Related Matters Identified in a Audit</i> (SAS 112), was issued and applies to the County's current year fiscal audit. The standard provides guidance that external auditors cannot be part of the County's internal controls, including controls over the preparation of the financial statements, and are prohibited from auditing their own work, as doing so impairs their independence.</p> <p>The new standard establishes clearer guidance on the responsibilities of auditees within the context of a financial statement audit. As an auditee, the County is responsible for the preparation of full disclosure financial statements in accordance with generally accepted accounting principles (GAAP). It is the County's responsibility to translate their general ledger into a format which allows for the preparation of financial statements in accordance with generally accepted accounting standards. While an auditor may still compile information into the proper format, the County must have proper internal controls over financial reporting in place to ensure that the information provided to the auditor for the compilation will result in full disclosure, GAAP-compliant financial statements without auditor adjustment. Proper internal controls over financial reporting include, but are not limited to, internal controls that identify or prevent misstatements in the financial records and adequate design of internal control over the preparation of the financial statements that ensures financial information is complete and not misstated prior to being submitted for audit.</p> <p>When material audit adjustments are made, SAS 112 requires that they be considered a strong indicator that a material weakness exists, even if management subsequently corrects the underlying misstatements.</p> <u>Condition</u> <p>Currently, the County relies on the external auditors to ensure its financial statements are in accordance with GAAP and include all disclosures required by current reporting standards. In the course of our audit, we proposed several audit adjustments of material amounts to correct the County's accounting records and to ensure the financial statements were presented as required by standards. We considered</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-FS-4 (continued) Financial Reporting Competencies	<p data-bbox="518 331 1442 470"><u>Condition</u> (continued) these adjustments to be material and an indication that existing internal controls over financial reporting are not effective at preventing or detecting misstatements for financial statement purposes.</p> <ol style="list-style-type: none"><li data-bbox="566 512 1442 722">1. Prior period adjustments aggregating \$42,605,549 were proposed to correct misstatements in the County's reported assets and liabilities as reported at June 30, 2006. This included restating infrastructure asset amounts as previously described and including County indebtedness of \$2,225,059 which was previously omitted.<li data-bbox="566 764 1442 869">2. The County did not include cash and investments of approximately \$43.3 million from trust funds which should have been included with the County's reporting entity.<li data-bbox="566 911 1442 1373">3. In prior years, long-term assets and liabilities were included in the governmental funds fund statements. Accounting standards for these funds provide that only assets available to liquidate liabilities within a short period after the close of the fiscal year should be included. Long-term accounts such as capital assets and the liability for compensated absences will not be converted to cash for some time and as such should be excluded from the governmental funds. We proposed an audit adjustment to remove capital assets of \$23,793,133, net of accumulated depreciation, and compensated absence liability of \$3,716,141, from the fund statements and properly report them in the government-wide statements as required by current reporting standards.<li data-bbox="566 1415 1442 1663">4. An expense of \$1,000,000 representing the County's general fund reserve for contingencies was reported as an expense. Only expenses which have been paid or which result from the actual provision of services or goods from vendors should be recognized as an expense in the financial statements. The reserve should have been reported as a reservation of the General fund's fund balance.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program	Findings/Noncompliance
Finding 07-FS-4 (continued)	<u>Condition</u> (continued)
Financial Reporting Competencies	<p>5. Accounting standards require the financial statements include a liability representing the estimated amount of claims likely to exist against the County's self-insurance program. An actuarial study determined the amount to be \$1,127,000 at June 30, 2007. This liability was not recorded on the County's general ledger and was omitted from the prior year financial statements.</p> <p>6. The County holds cash and investments with an external fiscal agent for the purpose of meeting reserve provisions in its existing debt agreement and for facilitating the semi-annual principal and interest payments. The balance at June 30, 2007 was \$303,221. This amount was not recorded on the County's general ledger and was omitted from prior year financial statements.</p> <p>7. Encumbrance balances were overstated by \$16,077,796. Encumbrance balances should represent binding commitments under contract and these amounts should not have already been paid or accrued in the financial statements.</p> <p>8. Construction in process in the current year was not accounted for properly resulting in a misstatement of \$1,696,318.</p> <p>9. The County's service area districts are considered blended component units of the County because the County's Board of Supervisors acts as the governing board. These districts had combined net assets of \$1,440,847 at June 30, 2006. These net assets along with the financial activity were omitted from the County's financial reporting entity in the prior year and should have been included.</p>

Effect of Condition

The risk of misstatement in the financial statements increases when management is not able to apply GAAP in recording the entity's financial transactions or preparing its financial statements, including the related notes. Also, by relying on the external auditors to ensure its financial statements are in accordance with GAAP, the County is

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-FS-4 (continued)	<u>Effect of Condition</u> (continued)
Financial Reporting Competencies	considering the external auditors a part of its internal controls over the preparation of the financial statements, which is contrary to current audit standards.
	<u>Recommendation</u>
	The County may consider the following possible actions:
	<ul style="list-style-type: none">• Provide training opportunities for its staff that would enable them to become more familiar with the requirements for financial statements prepared using GAAP.• Hire an external Certified Public Accountant to prepare or confirm that the accounting records, financial statements and related disclosures are in accordance with GAAP.• Take no action. The County may find that the costs outweigh the benefits to adhere to this standard. No action will result in a significant deficiency (or material weakness, depending on magnitude) in the County's internal controls over the preparation of the financial statements.
	<u>Management Response</u>
	Management's response is reported at page 26 of this report.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Management Response to Findings 07-FS-1 through 07-FS-4

In response to the Findings 07-FS-1 through 07-FS-4 as described in the Schedule of Findings and Questioned Costs, management of the County of Yuba provides the following:

Yuba County is a small county with a population of less than 100,000. The county records all transactions on the cash base accounting method and only converts to the accrual base accounting method after the fiscal year ends, specifically in Period 13. Until such time that the State of California adopts the accrual base accounting method for all government entities, we will continue operating under the SCO's Accounting Standards and Procedures for Counties Manual.

In addition, fund accounting, based on budget controlled annual expenditures and revenue projections for any current fiscal year of operations, necessitates our usage of Agency type funds for internal control purposes. To change or ignore the benefit of said methodology would undermine accountability, control, sustainability and report accuracy of a system long established.

In summary, while the accounting community has suffered immense credibility reporting problems, post ENRON, the government arena has steadily become more transparent and responsible at the local/municipal levels. This has become necessary as the State and Federal levels become more diligent in their management and review of the use of taxpayer dollars.

Sarbanes-Oxley, GASB-34, Fixed Asset Reporting of Infrastructure and SAS-112 are a good start to get credibility back into the "Outside Auditors Reporting Arena". However, local government did not create/cause the majority of problems within the current financial community. We do suffer the consequences, however, but cannot afford to follow/staff the resources for a system of reporting used for Period 13 Modified Accrual that enables the preparation of financial statements mandated by the State to those produced by outside auditors. Smaller government entities, rightfully, use the outside auditor reporting process to augment internal controls not instead of internal controls.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-1	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Temporary	<i>Pass-Through Entity: State Department of Social Services</i>
Assistance for	<i>Compliance Requirement: Eligibility</i>
Needy Families	<i>Reporting Requirement: Material Weakness; Material</i>
CFDA 93.558	<i>Non-Compliance in Relation to Major Program</i>
Award No.	
Year: 2006-2007	We tested eligibility in twenty-four TANF cases and noted the following exceptions:
	<u>Criteria and Condition</u>
	<i>IEVS:</i>
	As required by Section 1137 of the Social Security Act, benefit information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations. The County must review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility, level of assistance, benefits or services.
	We noted two case files, which did not contain an IEVS for at least one assisted member of a family. A total of four individuals in these two families did not have an IEVS. As well, in three cases, the IEVS was outdated by between three and seven months and in another three cases, the eligibility worker did not sign the IEVS indicating her review and use of the IEVS in eligibility determination.
	<i>60-month Time-on-Aid Limit:</i>
	Unless an exemption applies, any family that includes an adult, minor child head of household or a spouse of the head of household who has received assistance under any State program funded by federal TANF funds for sixty months (whether or not consecutive) is ineligible for additional federally-funded TANF assistance. As a control over this requirement, the County maintains "60-month clocks" to track the number of months a client has been on TANF.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Findings/Noncompliance

Finding 07-SA-1
CFDA 93.558
(continued)

Criteria and Condition (continued)

In testing this eligibility requirement, we noted that two case files did not contain an up-to-date sixty-month clock.

Birth Certificate or Alternate proof of age and citizenship:

The *California Department of Social Services Manual of Policies and Procedures* requires that an individual applying for TANF provide a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship.

In one case, the file did not contain a birth certificate or other enumerated, alternate documents to show birth, age, and citizenship for one member of the family receiving TANF benefits.

Questioned Costs

Undetermined. Despite the exceptions noted above, no client involved was shown to be ineligible for the benefits they received.

Perspective

For birth certificates or allowable alternates and for IEVS, we compute the error rate by multiplying the total cases tested by the average number of assisted members of a family of 3.5. We compute the error rate for birth certificates or allowable alternates for birth certificates at 1.2%. We compute the error rate for missing IEVS at 4.8%, the error rate for outdated IEVS at 12.5%, and the error rate for unsigned IEVS at 12.5%.

Effect of Condition

The effect of the exceptions enumerated above is that clients might receive benefits to which they are not entitled.

Recommendation

We recommend that the Department review the facts regarding these exceptions and determine whether (1) they are isolated instances of noncompliance; or (2) procedures might be implemented to prevent

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Findings/Noncompliance

Finding 07-SA-1
CFDA 93.558
(continued)

Recommendation (continued)

recurrence of such errors. If further internal controls can be implemented, we recommend that they be implemented.

Corrective Action Plan

IEVS:

All cases containing a new application or an application to add an additional person to an existing case undergo a peer review to ensure the case file contains an IEVS report and the report is processed in accordance with regulations. Beginning February 1, 2008, Eligibility Supervisors will examine cases during their authorization reviews to ensure the IEVS component was processed in compliance with regulations.

In order to increase awareness on the importance of properly obtaining, clearing and documenting IEVS reports all Eligibility staff and supervisors will receive additional training on the regulations and internal procedures pertaining to the processing of IEVS. This training will be conducted in March 2008 at the Eligibility Division meeting.

60-Month Time on Aid Limit:

During the Supervisor's unit meetings beginning in February 2008, the findings will be reviewed so they will be cognizant of the issue during their authorization reviews.

On February 1, 2008, a written reminder will be sent to staff regarding the procedure for time on aid tracking and the regulatory limits.

Birth Certificate or Alternate Proof of Age and Citizenship:

Department staff believes the error found is isolated. In the near future, system enhancements will aid in capturing this data for an increased number of applicants and recipients.

Contact person: Carol Newsom
Telephone Number: (530) 749-6380

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Findings/Noncompliance

Finding 07-SA-2

Medical
Assistance
Program
CFDA 93.778

Award No. n/a
Year: 06/07

Federal Grantor: U.S. Department of Health and Human Services
Pass-Through Entity: State Department of Social Services
Compliance Requirement: Eligibility
Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Supplement Audit Objectives

We tested eligibility in twenty-four Medi-Cal cases and noted the following exceptions:

Criteria and Condition

IEVS:

As required by 42 United States Code § 1320b-7 information from the Income Eligibility and Verification System (IEVS) database must be requested and used when making eligibility determinations on cases under this program. Further, the County is required to review and compare the information obtained from IEVS against information contained in the case record to determine whether it affects the individual's eligibility or share of cost. Internal controls require that eligibility workers sign the IEVS form after it is reviewed and used in eligibility determination.

We noted that one case file did not contain an IEVS for one assisted member of the family. We also noted that in three cases the eligibility worker did not sign the IEVS indicating her review and use of the IEVS in eligibility determination.

Documentation of Income:

In determining eligibility for the Medical Assistance Program, the County is required to have facts in the case record to support its eligibility determination and a written application, signed under penalty of perjury. The County must use these documents in determining eligibility and share of cost.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

Finding/Program

Finding 07-SA-2
CFDA 93.778
(continued)

Findings/Noncompliance

Criteria and Condition (continued)

In three cases, we noted that the income information documented in the file did not match the income input into ISAWS.

Assistance to Non-Citizens:

Noncitizen clients who entered the United States on or after August 22, 1996, are not eligible for *federal* public benefits for a period of five years beginning on the date of the client's entry into the United States, unless an exception under 8 USC 1612(b)(2) or 1613 applies. The County handles eligibility and must obtain proper citizenship status documentation and, also, proper documentation on date of legal entry into the United States. The County must then input this data into its system. The State receives this information and, based upon it, determines whether the client is eligible for full-scope *federal* benefits. If the client is federally eligible, the state uses *federal* funds to pay the medical benefits. If the client is not eligible for federal benefits but is a legal permanent resident, the client's medical benefits are paid by the state with *state, rather than federal*, funds. For this system to work, citizenship information and the date of legal enter in the United States must be correctly coded in the County system.

We noted one case where a noncitizen received federal Medi-Cal benefits but had not been legally in the United States for the required five years.

Questioned Costs

Undetermined. The state handles the actual medical benefits and the County has no access to this information. Because the medical benefits would be the source of any questioned costs, we could not determine what costs to question.

Perspective

For IEVS, we compute the error rate by multiplying the total cases tested by the average number of assisted members of a family of 3.5. We compute the error rate for missing IEVS at 1.2% and the error rate for unsigned IEVS at 12.5%.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-2 CFDA 93.778 (continued)	<p><u>Effect of Condition</u></p> <p>The effect of the exceptions enumerated above is that clients could receive medical care under this program, to which they are not entitled.</p> <p><u>Recommendation</u></p> <p>We recommend that the Department review the facts regarding these exceptions and determine whether (1) they are isolated instances of noncompliance; or (2) procedures might be implemented to prevent recurrence of these errors. If further internal controls can be implemented, we recommend that they be implemented.</p> <p><u>Corrective Action Plan</u></p> <p><i>IEVS:</i></p> <p>All cases containing a new application or an application to add an additional person to an existing case undergo a peer review to ensure the case file contains an IEVS report and the report is processed in accordance with regulations. Beginning February 1, 2008, Eligibility Supervisors will examine cases during their authorization reviews to ensure the IEVS component was processed in compliance with regulations.</p> <p>In order to increase awareness on the importance of properly obtaining, clearing and documenting IEVS reports; all Eligibility staff and supervisors will receive additional training on the regulations and internal procedures pertaining to the processing of IEVS. This training will be conducted in March 2008 at the Eligibility Division meeting.</p> <p><i>Assistance to Non-citizens:</i></p> <p>Department staff believes the error found is isolated. A written reminder will be sent to staff on February 1, 2008 regarding the correct coding of non-citizenship information into the eligibility system. Supervisors will review correct coding in their unit meetings with staff beginning February 2008.</p> <p>Contact person: Carol Newsom Telephone Number: (530) 749-6380</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-3	<i>Federal Grantor: U.S. Department of Health and Human Services</i>
Adoption Assistance Program	<i>Pass-Through Entity: State Department of Social Services</i>
CFDA 93.659	<i>Compliance Requirement: Eligibility</i>
	<i>Reporting Requirement: Significant Deficiency</i>
	<u>Criteria</u>
Award No. n/a	Adoption Assistance payments can be paid only if the following federal criteria are met:
Year: 06/07	(1) The child is Title IV-E foster care eligible, is eligible for the former Aid to Families with Dependent Children program, or is eligible for SSI; (2) the child was determined by the State to be a child with special needs as defined in 42 USC 673(c); (3) the State has made reasonable efforts to place the child for adoption without a subsidy; and (4) the agreement for the subsidy was signed and was in effect before the final decree of adoption and contains certain required information. Title 22 California Code of Regulations §35331(a) requires that the determination of the child's eligibility for adoption assistance be documented in the case record on the Eligibility Certification – Adoption Assistance Program form (the AAP-4). Internal control over the AAP-4 requires that it be properly signed by the Adoption Agency and the County Welfare Department.
	<u>Condition</u>
	We tested twenty-four adoptions cases and located two AAP-4 forms which were not signed by the County Welfare Department. We were able to prove the eligibility criteria noted above by other information in the file.
	<u>Questioned Costs</u>
	No costs are questioned because we were able to prove that the children were eligible for Adoption Assistance through other documentation.

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-3 CFDA 93.659 (continued)	<p><u>Perspective</u></p> <p>Internal controls require that both the Adoption Agency and the County Welfare Department sign the AAP-4. In each exception noted, the Adoption Agency had signed the AAP-4</p> <p><u>Effect of Condition</u></p> <p>Required eligibility criteria under this program could more easily be overlooked if the County Welfare Department does not review and sign the AAP-4, indicating that all eligibility criteria are present.</p> <p><u>Recommendation</u></p> <p>We recommend that adoptions cases be monitored to ensure that all eligibility criteria are correctly documented on the AAP-4 and that both a representative of the Adoptions Agency and the County Welfare Department sign the form.</p> <p><u>Corrective Action Plan</u></p> <p><i>AAP-4 Form:</i></p> <p>The AAP cases within the department are processed by two Eligibility Technicians specialized in the AAP program. The review findings will be shared with their supervisor so they will be cognizant of the issue during their authorization reviews. The supervisor will randomly monitor the cases to ensure forms are processed and completed accurately. This random monitoring begins February 1, 2008 and will continue in an ongoing manner.</p> <p>Contact person: Carol Newsom Telephone Number: (530) 749-6380</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-4 Community Development Block Grant CFDA 14.228 Award Nos. 04-STBG-1946 04-STBG-1947	<i>Federal Grantor:</i> U.S. Housing and Urban Development <i>Pass-Through Entity:</i> State Department of Housing and Community Development <i>Compliance Requirement:</i> Cash Management <i>Reporting Requirement:</i> Material Weakness; Material Non-Compliance in Relation to a Compliance Requirement <u>Criteria</u>
Year: 2006/2007	<p>Federal regulation 24 CFR 570.489(c)(1) requires local grantees to "use procedures to minimize the time elapsing between the transfer of funds by the State (to the grantee) and disbursement for Community Development Block Grant activities." 25 California Code of Regulations (CCR) § 7112(a) contains a very similar rule:</p> <p style="padding-left: 40px;">"Grant payment methods shall minimize the time elapsing between the disbursement by a grantee and the transfer of funds from the State to the grantee, whether such disbursement occurs prior to or subsequent to the transfer of funds."</p> <p>Further, 25 CCR § 7112(c) provides:</p> <p style="padding-left: 40px;">"(c) Unless otherwise provided by regulation, the State shall not withhold payments for allowable charges made by grantees at any time during the grant period unless . . . (2) the grantee is indebted to the State and collection of the indebtedness will not impair accomplishment of the objectives of any grant program sponsored by the Department. Under such conditions, the Department may, upon 15 days notice, inform the grantee that payments will not be made for obligations incurred after a specified date until the noncompliance is resolved or the indebtedness to the State is liquidated."</p> <p>The California Department of Housing and Community Development's CDBG Grant Management Manual, which can be reviewed at the website at "hcd.ca.gov/fa/cdbg/gmm" requires that excess cash on hand be returned, along with interest on the excess cash balance, to the Department of Housing and Community Development, Administration & Management Division:</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-4 (continued)	<u>Criteria</u> (continued)
CFDA 14.228	<p>"When cash-on-hand exceeds \$5,000, and the excess cannot be justified (that is, it will not be expended within a reasonable time period), you must return the excess to the Department.</p> <p>Federal regulations also require the return of interest revenue earned on CDBG advances. The interest revenue must be returned to the Department at least quarterly, except interest earned on the lump sum account. Interest earned on the lump sum account is considered program income and is retained in the lump sum draw down account for the term of the grant."</p>
	<u>Condition</u>
	<p>During our cash management testing, we noted that at yearend a cash-on-hand balance existed for contract 04-STBG-1947 of \$28,994 and a cash-on-hand balance existed for contract 04-STBG-1946 of \$15,608. The total of \$44,602 exceeds the \$5,000 allowable threshold for cash on hand contained in California Department of Housing and Community Development's CDBG Grant Management Manual by \$39,602.</p>
	<u>Questioned Costs</u>
	<p>We do not question costs. Instead, we recommend that excess cash on hand, which has not been spent down on CDBG activities, be returned to the Administration & Management Division of the Department of Housing and Community Development,</p>
	<u>Perspective</u>
	<p>We do not believe any further information would assist in providing proper perspective.</p>
	<u>Effect of Condition</u>
	<p>When federal funds are drawn down and held undisbursed for a period of time, the potential exists for interest to accumulate that may need to be returned to the federal government. This situation could also affect the County's ability to receive federal advances in the future. See 25 CCR § 7112(c).</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-4 (continued) CFDA 14.228	<u>Recommendation</u> We recommend that the Department develop internal controls to monitor the excess of funds drawn down from the Department of Housing and Community Development over program expenditures. We further recommend that when cash on hand exceeds \$5,000 and the excess will not be expended within a very short period of time, that funds in excess of \$5,000, plus interest, be returned to HCD. <u>Corrective Action Plan</u> We will submit Cash Requests for each grant on a monthly basis rather than a quarterly basis as done in the past. This should eliminate the excess cash on hand. Contact: Debra J. Phillips, Housing and Community Services Mgr Contact Telephone Number: 530-749-5460
Finding 07-SA-5 Community Development Block Grant CFDA 14.228 Award Nos. 04-STBG-1946 04-STBG-1947 04-PTAA-0342 Year: 2006/2007	<i>Federal Grantor: U.S. Housing and Urban Development</i> <i>Pass-Through Entity: State Department of Housing and Community Development</i> <i>Compliance Requirement: Allowable Costs/Activities</i> <i>Reporting Requirement: Material Weakness; Material Non-Compliance in Relation to a Compliance Requirement</i> <u>Criteria</u> OMB A-87 requires that payroll charged to federal programs be supported by either (1) personnel activity reports, which reflect an after-the-fact distribution of the actual and total activity of each employee, are prepared at least monthly and coincide with one or more pay periods, and are signed by the employee, or (2) an acceptable substitute system for allocating salaries and wages which quantifiably measures employee effort on the program (examples in A-87 include random moment sampling and case counts) and has been approved by the cognizant agency, if applicable. OMB A-87 specifically allows for budget estimates, but provides that the <i>budget method of posting employee time must be adjusted to personnel activity reports on at least</i>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-5 (continued)	<u>Criteria</u> (continued)
CFDA 14.228	<p><i>a quarterly basis.</i> If employees work on only one activity, which is a federal program, the employee or supervisory official having first hand knowledge of the employee's work need only sign a statement every six months that the employee worked only on that program. OMB Circular No. A-87, Attachment B, § 11(h).</p>
	<u>Condition</u>
	<p>We selected a sample of payroll charges to the grant and attempted to match the hours charged to personnel activity reports. We were unable to perform this test. We then inquired about the method of documenting costs for payroll and learned that a budget method is used to allocate salaries but that budgeted estimates are not adjusted to personnel activity reports on a quarterly basis.</p>
	<u>Questioned Costs</u>
	<p>We did not question any costs as it appears the budgeted expenses closely approximated the actual time worked on the grant.</p>
	<u>Effect of Condition</u>
	<p>Using the budget method without the required adjustments could result in salary costs, which are clearly valid, being disallowed because of missing documentation.</p>
	<u>Recommendation</u>
	<p>We recommend that the requirements of OMB A-87 regarding charges for payroll (described above) be reviewed and followed. A budgeted method can be used for initially recording employee time; however, the charges must be adjusted to the personnel activity report hours on at least a quarterly basis.</p>

COUNTY OF YUBA

Schedule of Findings and Questioned Costs For the Year Ended June 30, 2007

<u>Finding/Program</u>	<u>Findings/Noncompliance</u>
Finding 07-SA-5 (continued)	<u>Corrective Action Plan</u>
CFDA 14.228	<p>We will utilize the existing Timecards program in the Community Development and Services Agency's Wincams system. This program will track the exact number of hours spent on each grant and the program will be charged accordingly.</p> <p>Contact: Debra J. Phillips, Housing and Community Services Manager Contact Telephone Number: 530-749-5460</p>

COUNTY OF YUBA

Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 2007

Audit Reference Number	Status of Prior Year Audit Findings
N/A	None Reported.

**SUPPLEMENTARY STATEMENTS
OF GRANT REVENUES AND EXPENDITURES**

COUNTY OF YUBA

Supplementary Statements of Grant Expenditures Department of Corrections and Rehabilitation Programs For the Year Ended June 30, 2007

Office of Emergency Services Programs

The following represents expenditures for Office of Emergency Services (OES) programs for the year ended June 30, 2007. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Costs Claimed and Accepted			Share of Expenditures Current Year		
	For the Period Through June 30, 2006	For the Year Ended June 30, 2007	Cumulative As of June 30, 2007	Federal Share	State Share	County Share
<u>AT05020580 - Child Abuse Treatment and Advocacy</u>						
Personal services	\$ 28,350	\$ 47,565	\$ 75,915	\$ 40,460	\$ --	\$ 7,105
Operating expenses	1,250	--	1,250	--	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 29,600</u>	<u>\$ 47,565</u>	<u>\$ 77,165</u>	<u>\$ 40,460</u>	<u>\$ --</u>	<u>\$ 7,105</u>
<u>AT06030580 - Child Abuse Treatment and Advocacy</u>						
Personal services	\$ --	\$ 113,900	\$ 113,900	\$ 89,586	\$ --	\$ 24,314
Operating expenses	--	1,250	1,250	1,250	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 115,150</u>	<u>\$ 115,150</u>	<u>\$ 90,836</u>	<u>\$ --</u>	<u>\$ 24,314</u>
<u>VW06200580 - Victim/Witness Assistance Center</u>						
Personal services	\$ --	\$ 55,473	\$ 55,473	\$ 49,123	\$ 6,350	--
Operating expenses	--	55,591	55,591	4,245	51,346	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 111,064</u>	<u>\$ 111,064</u>	<u>\$ 53,368</u>	<u>\$ 57,696</u>	<u>\$ --</u>
<u>SE06160580 - Special Emphasis Victims Project</u>						
Personal services	\$ --	\$ 137,059	\$ 137,059	\$ 108,798	\$ --	\$ 28,261
Operating expenses	--	1,100	1,100	1,100	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 138,159</u>	<u>\$ 138,159</u>	<u>\$ 109,898</u>	<u>\$ --</u>	<u>\$ 28,261</u>
<u>EA06090580 - Elder Abuse Advocacy Program</u>						
Personal services	\$ 11,622	\$ 43,481	\$ 55,103	\$ 35,942	\$ --	\$ 7,539
Operating expenses	411	326	737	326	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ 12,033</u>	<u>\$ 43,807</u>	<u>\$ 55,840</u>	<u>\$ 36,268</u>	<u>\$ --</u>	<u>\$ 7,539</u>

COUNTY OF YUBA

Supplementary Statements of Grant Expenditures Department of Corrections and Rehabilitation Programs For the Year Ended June 30, 2007

Office of Emergency Services Programs (continued)

Program	Costs Claimed and Accepted			Share of Expenditures Current Year		
	For the Period Through	For the Year Ended	Cumulative As of	Federal Share	State Share	County Share
	June 30, 2006	June 30, 2007	June 30, 2007			
<u>DC06190580 - Drug Impact Program</u>						
Personal services	\$ --	\$ 125,013	\$ 125,013	\$ 125,013	\$ --	\$ --
Operating expenses	--	29	29	29	--	--
Equipment	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ 125,042</u>	<u>\$ 125,042</u>	<u>\$ 125,042</u>	<u>\$ --</u>	<u>\$ --</u>
<u>VB06040580 - Vertical Prosecution Block Grant</u>						
Personal services	\$ --	\$ 149,090	\$ 149,090	\$ --	\$ 149,090	\$ --
Operating expenses	--	20,411	20,411	--	20,411	--
Equipment	--	--	--	\$ --	--	--
Totals	<u>\$ --</u>	<u>\$ 169,501</u>	<u>\$ 169,501</u>	<u>\$ --</u>	<u>\$ 169,501</u>	<u>\$ --</u>

California Department of Corrections and Rehabilitation

The following represents expenditures for the California Department of Corrections and Rehabilitation, Corrections Standards Authority programs for the year ended June 30, 2007. The amount reported in the Schedule of Expenditures of Federal Awards is determined by calculating the federal portion of the current year expenditures.

Program	Expenditures Claimed			Share of Expenditures Current Year		
	For the Period Through	For the Year Ended	Cumulative As of	Federal Share	State Share	County Share
	June 30, 2006	June 30, 2007	June 30, 2007			
<u>Juvenile Accountability Block Grant - CSA#178-05</u>						
Personal services	\$ --	\$ 94,004	\$ 94,004	\$ 80,922	\$ --	\$ 13,082
Operating expenses	--	20,134	20,134	20,134	--	--
Equipment	--	16,678	16,678	16,678	--	--
Totals	<u>\$ --</u>	<u>\$ 130,816</u>	<u>\$ 130,816</u>	<u>\$ 117,734</u>	<u>\$ --</u>	<u>\$ 13,082</u>

COUNTY OF YUBA

Supplementary Statements of Grant Expenditures Spousal Abuser Prosecution Program For the Year Ended June 30, 2007

California Department of Justice Grants

The following represents expenditures for California Department of Justice grant for the year ended June 30, 2007.

Program	Budget	Expenditures Claimed			Share of Expenditures Current Year		
		For the Period Through	For the Year Ended	Cumulative As of	Federal Share	State Share	County Share
		June 30, 2006	June 30, 2007	June 30, 2007			
<u>06SA13C016 - Spousal Abuser Prosecution</u>							
Personal services	\$ --	\$ --	\$ 68,424	\$ 68,424	\$ --	\$ 57,020	\$ 11,404
Operating expenses	--	--	--	--	--	--	--
Equipment	--	--	--	--	--	--	--
Totals	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 68,424</u>	<u>\$ 68,424</u>	<u>\$ --</u>	<u>\$ 57,020</u>	<u>\$ 11,404</u>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 06F-4650 (CSBG - \$173,556) For The Period January 1, 2006 through December 31, 2006

	January 1, 2006 through June 30, 2006	July 1, 2006 through December 31, 2006	Totals
<u>Revenue</u>			
Grant revenue	\$ 77,159	\$ 96,396	\$ 173,555
Interest revenue	349	936	1,285
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 77,508	\$ 97,332	\$ 174,840
	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 4,935	\$ 4,941	\$ 9,876
Fringe benefits	1,567	1,561	3,128
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	--	--	--
Other costs	3,364	4,459	7,823
Subtotal Administrative Costs	9,866	10,961	20,827
	<hr/>	<hr/>	<hr/>
Program Costs:			
Salaries and wages	--	--	--
Fringe benefits	--	--	--
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	61,357	92,657	154,014
Other costs	--	--	--
Subtotal Program Costs	61,357	92,657	154,014
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 71,223	\$ 103,618	\$ 174,841
	<hr/>	<hr/>	<hr/>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 06F-4650 (CSBG - \$173,556) For The Period January 1, 2007 through December 31, 2007

	January 1, 2007 through June 30, 2007	July 1, 2007 through December 31, 2007	Totals
<u>Revenue</u>			
Grant revenue	\$ 60,493	\$ --	\$ 60,493
Interest revenue	550	--	550
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 61,043	\$ --	\$ 61,043
	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	4,564	--	4,564
Fringe benefits	1,938	--	1,938
Operating Expenses & Equipment	194	--	194
Out of State Services	--	--	--
Subcontractor Services	--	--	--
Other costs	1,130	--	1,130
Subtotal Administrative Costs	7,826	--	7,826
	<hr/>	<hr/>	<hr/>
Program Costs:			
Salaries and wages	--	--	--
Fringe benefits	--	--	--
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	48,669	--	48,669
Other costs	--	--	--
Subtotal Program Costs	48,669	--	48,669
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 56,495	\$ --	\$ 56,495
	<hr/>	<hr/>	<hr/>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 06F-4655 (CSBG - \$173,556) For The Period January 1, 2006 through December 31, 2006

	January 1, 2006 through June 30, 2006	July 1, 2006 through December 31, 2006	Totals
<u>Revenue</u>			
Grant revenue	\$ 83,924	\$ 89,632	\$ 173,556
Interest revenue	291	798	1,089
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 84,215	\$ 90,430	\$ 174,645
	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 18,907	\$ 18,927	\$ 37,834
Fringe benefits	4,812	4,791	9,603
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	--	--	--
Other costs	3,237	4,652	7,889
Subtotal Administrative Costs	26,956	28,370	55,326
	<hr/>	<hr/>	<hr/>
Program Costs:			
Salaries and wages	--	--	--
Fringe benefits	--	--	--
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	49,616	69,704	119,320
Other costs	--	--	--
Subtotal Program Costs	49,616	69,704	119,320
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 76,572	\$ 98,074	\$ 174,646
	<hr/>	<hr/>	<hr/>

COUNTY OF YUBA

Supplemental Statement of Revenue and Expenditures CSD Contract No. 06F-4655 (CSBG - \$173,556) For The Period January 1, 2007 through December 31, 2007

	January 1, 2007 through June 30, 2007	July 1, 2007 through December 31, 2007	Totals
<u>Revenue</u>			
Grant revenue	\$ 78,327	\$ --	\$ 78,327
Interest revenue	793	--	793
	<hr/>	<hr/>	<hr/>
Total Revenue	\$ 79,120	\$ --	\$ 79,120
	<hr/>	<hr/>	<hr/>
<u>Expenditures</u>			
Administrative Costs:			
Salaries and wages	\$ 18,294	\$ --	\$ 18,294
Fringe benefits	5,424	--	5,424
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	--	--	--
Other costs	3,374	--	3,374
Subtotal Administrative Costs	27,092	--	27,092
	<hr/>	<hr/>	<hr/>
Program Costs:			
Salaries and wages	--	--	--
Fringe benefits	--	--	--
Operating Expenses & Equipment	--	--	--
Out of State Services	--	--	--
Subcontractor Services	43,207	--	43,207
Other costs	--	--	--
Subtotal Program Costs	43,207	--	43,207
	<hr/>	<hr/>	<hr/>
Total Expenditures	\$ 70,299	\$ --	\$ 70,299
	<hr/>	<hr/>	<hr/>